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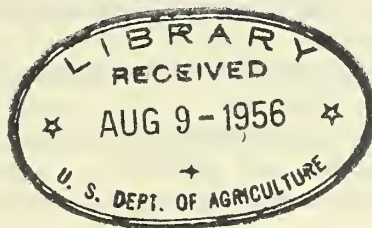
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THE SOIL BANK --

Objectives

Administration in 1956



Note: Rates of payment and administrative regulations cited in this booklet apply to the Acreage Reserve program for 1956 only.

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A nation-wide soil bank, consisting of an acreage reserve and a conservation reserve, is now a vital part of the total agricultural program of the United States.

Because we are now far along in the 1956 spring planting season, the soil bank will have only limited application this year. However, the special program for 1956, which is described in the following pages, will permit many farmers who have already planted crops to put land into the acreage reserve and receive payments. And beginning with fall-seeded crops, all eligible farmers will have an opportunity to plan in advance to participate in both parts of the soil bank.

In future years, the program will have important results in American agriculture, influencing the planning and work of most of our farmers. As the acreage reserve and conservation reserve take effect throughout the Nation, farmers will have unparalleled opportunity to make adjustments in their production while maintaining and improving incomes and increasing the resource potential on their farms to meet long-term needs for food and fiber.

The soil bank is a method of reducing surpluses and giving a lift to prices, and a conservation measure to safeguard our soil and water resources for future generations.

Why a Soil Bank?

In spite of production controls on many farms, the surplus of basic agricultural commodities has continued to increase in recent years. Acreage allotments and marketing quotas combined with vigorous action to move food and fiber to consumers at home and abroad have not succeeded in reducing surplus stocks. For each bushel equivalent sold, about one and one-half bushels have replaced it in the stockpiles. Much of the land diverted from producing basic crops, such as wheat and cotton, has gone into production of feed grains, thus burdening livestock raisers and dairy farmers with added competition.

The basic need has been for an agricultural program to help farmers adjust their production to the realities of present-day markets while strengthening their incomes.

New support and encouragement for conservation is of equal importance to the long-term prosperity of American agriculture and the well-being of all Americans. Perhaps 20 to 25 million acres of land now in row crops and small grains should be put into grass and trees.

The soil bank program has been developed to gain these vital objectives -- surplus reduction, improved income and increased conservation.

What Will Be Accomplished?

There are two parts to the soil bank -- an acreage reserve and a conservation reserve.

The acreage reserve is a temporary program to reduce production of wheat, cotton, corn, rice, and most types of tobacco and peanuts. It is authorized for four years, beginning with 1956 crops. Because most crops have already been planted, participation will not be widespread this year. 1957 will be the first year in which there is a fair test of the acreage reserve. (For a detailed account of how the program will apply this crop year, see pages 5-10).

As the acreage reserve gains increasing participation, it will have these important results leading to a strengthened economic position for farmers:

- Adequate payments. Payments will compensate farmers for net income they would have received for crops on acres put in the acreage reserve.
- New stability for farmers' markets through a working program to bring surpluses under control. Concern that farm surpluses will continue to grow has acted to depress prices.

-- Protection against crop failure. In 1957 and following years, farmers who decide in advance of planting to put land in the acreage reserve will receive payments based on normal yields from these acres even though drought or some other natural disaster lowers production. In 1956 farmers may place weather-destroyed cropland in the acreage reserve at a lower rate.

-- Increased productive capacity for idle land. No soil depleting crops will be growing on these acres. Erosion and weed control will be practiced.

Over a period of several years, the conservation reserve part of the soil bank will encourage the shift of 20 to 25 million acres of our farm land into grass, trees, or water storage. This would be a long-range adjustment in the use of some of the Nation's land resources.

Land brought into the conservation reserve will include:

Less productive acres that should permanently be taken out of crop production in the interest of better conservation use.

Acres diverted in the past from wheat and cotton to feed grains and other crops.

Certain land on which grass cover is already established.

The conservation reserve will give new force and permanence to soil, water, and forest protection work. Through this program, farmers can now receive substantial aid and compensation in conserving the food-producing resources of the Nation. Instead of being wasted and depleted in production of price-depressing surpluses, the soil and water resources on their farms will be conserved and protected for a growing population needing increased supplies of food, fiber, and timber in future years.

Existing Agencies Will Operate Program

In administering the soil bank, the Secretary of Agriculture is making use of the services and skills of regular Federal, State, and local government agencies:

The Commodity Credit Corporation and the Commodity Stabilization Service have general responsibility for administering funds used in the program.

Community, county, and State Agricultural Stabilization and Conservation Committees will operate the program at the farm level, as described below.

Conservation practices eligible for payment in the conservation reserve are the responsibility of the Agricultural Conservation Program Service nationally.

Technical resources of the Soil Conservation Service, the Forest Service, the Fish and Wildlife Service, land-grant colleges, State foresters, and others are being utilized to assure successful conservation.

Regular Farm Programs Continue

The soil bank is an addition to regular agricultural programs and is designed to strengthen them. Price support programs and acreage allotments and marketing quotas for some crops are still in effect. The Agricultural Conservation Program continues to include cost-sharing for regular conservation practices outside the soil bank. The Soil Conservation Service will continue to work with soil conservation districts and watershed protection projects.

ACREAGE RESERVE IN 1956

No Production From Reserve

Farmers with acreage allotments for wheat, cotton, rice, most kinds of tobacco and peanuts, and the new soil bank base acreage for corn are eligible to take part in the acreage reserve and receive the benefits of this program.

Most spring-planted crops are already in the ground. But special provisions governing the acreage reserve this year do permit farmers to incorporate crops into the soil as a way of participating and to place weather-damaged land in the program. However, necessary limitations on plowing or mowing crops that are close to maturity will reduce the use of this practice.

A farmer is eligible for participation in the acreage reserve this year if:

1. He underplanted his allotment or soil bank corn base in anticipation of complying with the 1956 program or because of bad weather.
2. He underplanted his 1956 winter wheat allotment because of bad weather.
3. He has complied with his soil bank corn base or allotment for a particular crop and an acreage of the crop was not harvested due to natural causes.
4. He is in an area where he can qualify by plowing or mowing crops.

Farmers who exceed their corn base or allotment for any crop are not eligible for the program.

A farmer takes part in the acreage reserve program by signing an agreement with his ASC committee and removing some part of his acreage allotment or corn base acreage from the production of all crops. Land placed in the acreage reserve may not be grazed, cut for hay, or cropped. (Unless the area is designated as a disaster area. Then restrictions on grazing may be relaxed under certain conditions.) It will be left idle or soil or water conservation practices applied to it. Participating

Certificates farmers receive as payment for placing grain acreage in the reserve may be redeemed in a grain. However, farmers holding certificates for cotton, tobacco, or peanuts will not have the option of exchanging them for commodities. Payment in grain will not be available before the end of the 1956 harvest.

Certificates may be endorsed to merchants, bankers, and others as payment for goods and services. The certificates are negotiable. Anyone may redeem them in cash, but certificates for grain may be redeemed only by farmers to whom they are issued. Grain received in exchange for a certificate is not eligible for price support programs.

Limits on Farm Participation

Farmers are limited as to the number of acres they may put in the acreage reserve.

Maximum participation on any one farm is the larger of the following acreage: Grain (corn, wheat, and rice) 50 acres or half the allotment (or corn base). Cotton and peanuts, 10 acres or half the allotment. Tobacco, 5 acres or half the allotment.

Minimum participation on any one farm is the larger of the following acreage: Grain (corn, wheat, rice), 5 acres or 10 percent of the allotment (or corn base). Cotton, 2 acres or 10 percent of the allotment. Tobacco and peanuts, 1 acre or 10 percent of the allotment. The minimum for Burley tobacco is half an acre or the allotment, whichever is smaller.

A farmer may not place more than his allotted acreage of an eligible crop in the acreage reserve. And if his allotment is less than the amounts listed above in the paragraph on minimum participation, he must place the entire allotment in the program in order to participate.

General Provisions

The following general provisions govern operation of the acreage reserve this year:

- Farmers must comply with all farm acreage allotments and the soil bank corn base acreage to be eligible for payment in the acreage reserve. However, wheat farmers may produce 15 acres of wheat and farmers growing peanuts, 1 acre of peanuts without being ineligible for the program.
- Tenants and sharecroppers have full rights to share in benefits. In applying for the program, a farm landlord will describe in detail his method of distributing acreage reserve benefits among his tenants. When approved by his ASC committee, this method will be incorporated into the contract.
- No acreage placed in the acreage reserve may be reapportioned or allotted to any other farm.
- Historical acreage allotments of farmers taking part in the program will be protected. In determining future State, county, and farm acreage allotments, officials will consider acreage placed in the reserve as acreage used to produce crops.
- ASC committeemen or other representatives of the Secretary of Agriculture will have the right to check compliance on the farm of an operator who has signed an agreement placing land in the acreage reserve.
- Cost sharing under the regular Agricultural Conservation Program is available for approved soil-conserving practices on land in the acreage reserve.

Penalties and Appeal

The act authorizing an acreage reserve provides penalties for violating an agreement and describes farmers' appeal rights. If an ASC committee finds a farmer has violated an agreement seriously enough to terminate it, he will forfeit all payments, past and future, for the year covered by the agreement. In this case, he may appeal the decision to his State committee and the Federal courts.

If the county committee decides his violation is less serious, the farmer's payments will be adjusted and he may also have to refund some of the money already paid him under the agreement. In addition, a farmer who grazes land in violation of a contract or harvests a crop from it is subject to a fine amounting to 50 percent of his benefits under the contract.

Corn -- Price Support and Soil Bank

In 1956 the national average price support available for cooperators in commercial corn counties is \$1.50. A farmer can become eligible for loans at this level in two ways: First, by keeping his acreage within the acreage allotment established for his farm under the old allotment program (his share of the national allotment of 43 million acres). Second, by keeping within his new corn base (his share of the 51 million acre national corn base) and placing 15 percent of the corn base in the soil bank program.

A farmer qualifies for payments under the program by keeping his acreage for harvest below the level of his corn base and putting the reduced acreage in the acreage reserve. Or he can keep his corn acreage up to his corn base, put acreage of general cropland into the long-term conservation reserve program (see page 11) and receive special conservation reserve payments.

As stated above, if the acres he puts into either the acreage reserve or the conservation reserve equal 15 percent of his corn base, he is also eligible for the maximum level of available corn price supports.

CONSERVATION RESERVE

The conservation reserve part of the soil bank will be started in 1956, and some farmers will want to sign contracts and start conservation practices during this crop year. However, the fact that most land is already in crops will mean that in general this program will get under way this fall. Regulations and procedures governing operation of the program are being prepared in the Department of Agriculture and will soon be made available to ASC committees.

Through the conservation reserve, farmers have an opportunity to receive substantial government assistance for long-term conservation work on their farms. A farmer wanting to participate will sign a contract with his county committee in which he agrees to remove land from production of crops and devote it exclusively to conservation practices. Land producing tame hay in regular rotation and pasture is also eligible for the program. The farmer will be paid most of what it costs to establish cover and also an annual payment to compensate him for keeping the land out of production.

Use of Land in Conservation Reserve

A farmer who signs a contract to participate in the conservation reserve will agree:

- To establish and maintain protective cover (grasses, legumes, or trees), water storage, or some other approved conservation practice on designated acres.
- To maintain normal acreage of conserving and idle land on his farm.
- Not to harvest any crop from these acres, except timber in keeping with good forestry management.
- Not to pasture these acres before January 1, 1959, or a later date cited in the contract, unless the Secretary of Agriculture finds a need for grazing before this date.

-- Not to use any practice defeating the purpose of the contract, for example, divert land now in conservation, woods, etc., to a use prohibited by the Secretary of Agriculture.

1. Practice Payment

A farmer will receive about 80 percent of his costs in establishing permanent conservation on acres put in the conservation reserve. To establish grasses and legumes, these costs could include land preparation, seed and seeding, inoculation, liming, and fertilizing. To establish trees, costs could include preparing the land, tree seedlings, seed, cuttings and shrubs. Other material and labor used in conservation, including water storage, are also eligible for cost sharing. Most of the practice payments will be made during the first year of the contract.

The Department of Agriculture has authority to provide materials and services for conservation work on acres in the reserve. (This provision is similar to provisions in the Soil Conservation and Domestic Allotment Act, which authorize the Agricultural Conservation Program). The Department may purchase or produce these materials and services, and reimburse any Federal, State, local government agency or private dealer for them; the Department may also pay the cost of making them available to farmers. Materials and services a farmer receives for this work will be considered full or part payment for applying conservation practices on acres he has put in the conservation reserve.

2. Annual Payment

In addition to this initial conservation practice payment, a participating farmer will also receive payments each year for the length of the contract to compensate him for taking land out of crop and livestock production. This annual payment begins with the first year, as cited in the contract. In determining the annual payment to a farmer, these factors will be considered: Value of the

land for producing crops, rates of land rent in the area, and necessary incentive to encourage participation.

Length of Contract

The minimum conservation reserve contract is for 3 years; the maximum for 10 years. Contracts for tree cover, however, may extend for 15 years, and 3-year contracts apply only to land which will be continued in vegetative cover.

Many of the general provisions (listed on page 9) which govern operation of the acreage reserve also apply to the conservation reserve:

- Farmers must be in compliance with acreage allotments or corn base acreage.
- Tenants and sharecroppers have full rights to share in benefits.
- No acreage in the conservation reserve will be reapportioned or allotted to another farm.
- A farmer's historical acreage allotment will be protected.
- Compliance will be checked.
- Cost sharing under ACP is available for additional protection and improvement on land in the conservation reserve.

Committeemen Have Information

County ASC committees will assist farmers with specific information and interpretations regarding application of the program for local areas -- and individual farms. Acreage reserve agreements will be available for farmers' signature. Local meetings will be held and an effort will be made to get soil bank information directly to every farmer. Individual requests for information are welcomed.

Farmers should not take action to participate in the soil bank until they have consulted with their ASC committees.

ACREAGE RESERVE PROGRAM SUMMARY

General. Designated acreage must result in harvested acreage less than allotment (or corn base) and not be grazed, cut for hay or cropped in 1956. Noxious weeds must be controlled. Also, all allotments and the corn base, if any, must be complied with for the farm. Final date for signing agreement is July 20, 1956. Additional requirements follow:

	Corn	Rice	Wheat :(spring)	Cotton	Peanuts	Tobacco	Wheat (winter)
Underplanting eligibility	Certifies that underplanted corn base or acreage allotment was (1) in anticipation of complying with 1956 Soil Bank, or (2) due to adverse weather conditions						
Eligibility requirements if farmer plants	(1) Is in compliance but an acreage was not harvested due to destruction by natural causes, or (2) Where final date* is after May 28 and farmer incorporates into soil, clips, mows or cuts the crop after May 28 and prior to June 30 or the established final date whichever is later but in no event later than July 31.						
Acreage - Maximum *** Larger of	$\frac{1}{2}$ of allotment or corn base acreage or 50 acres	$\frac{1}{2}$ allotment or 10 acres	$\frac{1}{2}$ allot. : or 5 ac.	$\frac{1}{2}$ allotment or 10% of allotment	$\frac{1}{2}$ allotment or 50 acres		
Acreage - Minimum *** Larger of	allotment or corn base acreage or 5 acres	10% of allot.or : or 1 acre ($\frac{1}{2}$ acre : 2 acres : for burley)	10% of allotment : 10% of allotment	10% of allotment : 10% of allotment	10% of allotment : 10% of allotment		
Rate	\$.90 per bushel **	\$2.25 cwt. : \$1.20 per : bu. **	\$.15 per : \$.03 per : : lb. : lb.	Varies : : by types:	\$1.20 per bushel **		
Payment for underplanting	Normal yield of designated acreage times county rate : \$4.00 per acre						
Payment for loss due to natural causes, plowing under, clipping, mowing or cutting	Smaller of appraised yield of the field or normal yield of the farm times county rate but not less than \$6.00 per acre. The basis for appraisal of loss due to natural causes -- condition of crop after loss. The basis for appraisal for plowing under, etc. -- condition of crop prior to plowing under, etc.						

* Final date is last date established for adjusting crop acreages for the Acreage Allotment Program

** National average - will vary by counties depending on loan rate.

*** Except where the allotment is less than the specified acreage maximum or minimum, the total allotment shall be considered as the minimum or maximum.

